

MINUTES

MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB DEPRATU**, on April 1, 2003 at 9 A.M., in Room 405 Capitol.

ROLL CALL

Members Present:

Sen. Bob DePratu, Chairman (R)
Sen. Bob Story Jr., Vice Chairman (R)
Sen. Jerry W. Black (R)
Sen. John C. Bohlinger (R)
Sen. Jon Ellingson (D)
Sen. Jim Elliott (D)
Sen. Bill Glaser (R)
Sen. Dan Harrington (D)
Sen. Walter McNutt (R)
Sen. Mike Taylor (R)
Sen. Ken Toole (D)

Members Excused: None.

Members Absent: None.

Staff Present: Lee Heiman, Legislative Branch
Shirley Herrin, Committee Secretary

Video-taped Committee: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. A video-taped recording of the meeting is available from the Montana Historical Society.

Committee Business Summary:

Hearing & Date Posted: HB 721, 3/28/2003; SJ 29,
3/31/2003; SB 488, 3/31/2003
Executive Action: SB 488, SJ 29, SB 471, SB 472
SB 487
SB 486 Indefinitely Postponed

HEARING ON HB 721

Opening Statement by Sponsor:

9:04 **REP. RON ERICKSON, HD 64, Missoula** "Revise water's edge election for corporation taxation". **EXHIBIT(tas69a01)**
EXHIBIT(tas69a02) EXHIBIT(tas69a03).

Proponents' Testimony:

9:16 Don Judge, Teamsters Local # 190

Opponents' Testimony:

9:18 Mary Whittinghill, MT Taxpayers Association

Informational Witnesses:

9:21 Shona McHugh, Department of Revenue

Questions from Committee Members and Responses:

9:22 Begin
9:54 Ended
32 min Time elapsed.

Closing by Sponsor:

9:54 **REP. ERICKSON** closed on HB 721.

HEARING ON SJ 29

Opening Statement by Sponsor:

9:56 **SEN. KEN TOOLE, SD 27, Helena** "Study appraisal of centrally assessed property.

Proponents' Testimony: None

Opponents' Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

9:59 **SEN. TOOLE** closed on SJ 29.

HEARING ON SB 488

Opening Statement by Sponsor:

10:00 **SEN. DAN HARRINGTON, SD 19, Butte** "Generally revise tax laws".

Proponents' Testimony:

10:07 **SEN. JON TESTER, SD 45, Big Sandy** **EXHIBIT**(tas69a04)
 10:14 **SEN. JON ELLINGSON, SD 33, Missoula**
 10:16 **SEN. KEN TOOLE, SD 27, Helena**
 10:18 **SEN. JIM ELLIOTT, SD 36, Trout Creek**
 10:19 Judy Smith, Fair Share Network **EXHIBIT**(tas69a05)
 10:22 Erin McGowan, Protect MT Kids,
 10:24 Terry Minnow, MEA/MFT
 10:26 Gene Fenderson, MT Progressive Labor Caucus
 10:26 Don Judge, Teamsters Local # 190
 10:27 **SEN. JOHN BOHLINGER, SD 7, Billings**
 10:28 Mary Caferro, WEEL

Opponents' Testimony:

10:30 Harold Blattie, MACo. He stated that Ronda Carpenter, MT Association of Counties, wished to go on record in opposition to SB 488.
 10:35 Jerome Anderson, RJ Reynolds Tobacco Company
 10:38 Brad Griffin, MT Retail Association
 10:39 Aimee Grmoljez, Philip Morris Company
 10:40 Charles Brooks, Billings Chamber of Commerce
 10:41 Candace Payne, MT Rental Car Association
 10:42 Amy Sullivan, MT Tourism Coalition. She stated that Stuart Doggett, MT Innkeepers Assoc., wished to go on record in opposition to SB 488.
 10:44 Mary Whittinghill, MT Taxpayers Association
 10:46 Riley Johnson, Enterprise Rental Car
 10:47 Carl Schweitzer, Bozeman Chamber of Commerce
 10:47 Bill Stevens, MT Food Distributors Association

Informational Witnesses:

10:48 Matthew Cohn, MT State Fund
 10:49 Tyler Disburg, University of MT - Four Campuses
 10:50 Anna Marie Moe, Department of Commerce

Questions from Committee Members and Responses:

10:50 Begin
 11:05 Ended
 15 min Time elapsed.

Closing by Sponsor:

11:05 **SEN. HARRINGTON** closed on SB 488.

11:08 **CHAIRMAN DEPRATU** called a short recess to allow **SEN. BILL GLASER** to hold a brief sub-committee meeting on SB 471 and SB 472.

EXECUTIVE ACTION ON SB 488

11:27 **Motion:** **SEN. TOOLE** moved that SB 488 DO PASS. He then moved a conceptual amendment (that was a technical error) to increase \$10M to \$20M on page 15, line 16, Section 18, subsection 2. The motion carried.

Discussion:

11:28 Begin

11:30 **SEN. JON ELLINGTON** moved a conceptual amendment to include the distribution mechanism that is in HB 193 into SB 488.

11:35 The committee discussed the amount the hotel/motel vendors would be paid.

11:41 **Vote:** The motion on the conceptual amendment carried. Lee Heiman will prepare the conceptual amendments.

11:42 Bill Johnston, University System informed the committee that Ty Disburg, who spoke as an Informational Witness to SB 488 earlier in the hearing, was not in opposition to the bill.

11:45 **Motion/Vote:** **SEN. GLASER** moved that SB 488 BE AMENDED to remove the "Big Box Stores" from the bill. The motion failed 1-10 with **BLACK, BOHLINGER, DEPRATU, ELLINGSON, ELLIOTT, HARRINGTON, MCNUTT, STORY, TAYLOR,** and **TOOLE** voting no. Roll call vote No. 1.

Further Discussion:

11:52 Begin

12:00 Ended

8 min Time elapsed

12:02 **Motion/Vote:** **SEN. ELLINGSON** moved to take the HB 193 references out and just insert Section 1 of HB 192 into SB 488 . Motion carried unanimously.

12:02 **Motion/Vote:** **SEN. HARRINGTON** moved that SB 488 DO PASS AS AMENDED. Motion carried 7-4 with **GLASER, MCNUTT, STORY,** and **TAYLOR** voting no. Roll call vote No. 2.

EXECUTIVE ACTION ON SJ 29

12:03 **Motion/Vote:** SEN. TOOLE moved that SJ 29 DO PASS.
Motion carried 7-4 with ELLIOTT, MCNUTT, STORY, and
TAYLOR voting no. Roll call vote No. 3.

EXECUTIVE ACTION ON SB 471

"Tax on coal for transmission and distribution system
development".

12:07 **Motion:** SEN. GLASER moved that SB 471 DO PASS. He then
moved amendments SB047101.alh **EXHIBIT** (tas69a06). Lee
Heiman explained the amendments.

Discussion:

12:10 Begin

12:13 **Vote:** Motion on the amendments carried 8-3 with
ELLIOTT, HARRINGTON and TOOLE voting no. Roll call vote
No. 4.

12:19 Ended.
9 min Time elapsed.

12:19 **Motion/Vote:** SEN. GLASER moved that SB 471 DO PASS AS
AMENDED. Motion carried 7-4 with ELLINGSON, ELLIOTT,
HARRINGTON, and TOOLE voting no. Roll call vote No. 5.

EXECUTIVE ACTION ON SB 472

"Reduce rate of severance tax on coal".

12:20 **Motion/Vote:** SEN. GLASER moved that SB 472 DO PASS.
Motion carried 7-4 with ELLINGSON, ELLIOTT, HARRINGTON,
and TOOLE voting no.

EXECUTIVE ACTION ON SB 487

"Revise laws related to wind energy taxation and
economic development".

12:23 **Motion:** SEN. GLASER moved that SB 487 DO PASS. SEN.
STORY moved amendments SB048701.agp **EXHIBIT** (tas69a07),
and explained the amendments. **Vote:** Motion on the
amendments carried.

12:25 Motion/Vote: SEN. GLASER moved that SB 487 DO PASS AS AMENDED. Motion carried 8-3 with ELLIOTT, TAYLOR, and TOOLE voting no. Roll call vote No. 7.

EXECUTIVE ACTION ON SB 486

"Franchise tax on assets of large corporations".

12:26 Motion: SEN. ELLIOTT moved that SB 486 DO PASS. He then moved amendments SB048601.alh **EXHIBIT**(tas69a08).
Vote: Motion on the amendments carried.

12:27 Motion: SEN. ELLIOTT moved that a conceptual amendment that would disallow the six month filing extension.
Vote: Motion on the amendment carried.

12:29 Motion: SEN. ELLIOTT moved that SB 486 DO PASS AS AMENDED. Substitute Motion/Vote: SEN. TAYLOR made a substitute motion that SB 486 BE INDEFINITELY POSTPONED. Substitute motion carried 7-4 with ELLINGSON, ELLIOTT, HARRINGTON, and TOOLE voting no.

ADJOURNMENT

Adjournment: 12:31 A.M.

SEN. BOB DEPRATU, Chairman

SHIRLEY HERRIN, Secretary

BD/SH

EXHIBIT (tas69aad)